REMARKS

Applicants have studied the Office Action dated May 5, 2005, and have made amendments to the claims. By virtue of this amendment, claims 1-27 are pending and claims 1-11, 15, 19-20 and 24 have been amended. It is submitted that the application, as amended, is in condition for allowance. Reconsideration and allowance of all of the claims in view of the above amendments and the following remarks are respectfully requested.

Claims 1-9 were rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter as not claiming a technological basis in the preamble and the body of the claim. As suggested by the Examiner, claims 1-9 have been amended to recite "a computer implemented method" in the preamble and "generating a project database implemented in a computer environment" within the body of the claims. Therefore, it is respectfully submitted that the rejection of claims 1-9 under 35 U.S.C. § 101 should now be withdrawn.

Claims 1, 4, 6-8, 10, 13, 15-17, 19, 22, and 24-26 were rejected under 35 U.S.C. § 102(e) as being anticipated by U.S. Patent Application Publication No. 2001/0049648 to Naylor et al. ("the Naylor et al. reference"). This rejection is respectfully traversed.

Embodiments of the present invention are directed to a pre-order system that only produces a work of art if enough bids are generated (i.e. demand exists). In the present embodiments, the question of price is pre-fixed before the bidding process is started. Amended independent claim 1 recites "collecting a number of bids from users for the work of art at a fixed price per bid ... and ordering the work of art to be produced if the number of bids for the work of art associated with the at least one project record reaches the minimum number of bids, wherein the minimum number of bids is greater than one" (emphasis added). Independent claims 10 and 19 have been amended to recite similar limitations. Support for the amended claims exists throughout the original specification. For example, page 8, lines 9-15 states: "typically the production process starts when a contract is made between the artist and the website owner to produce a work of art if a certain demand for the work of art is established by the users of the website. The website owner or any other production administrator determines the number of

bids and cost per unit of the work of art needed in order for the production to be profitable. The number of bids and cost per unit is determined based on the minimum amount of money the artist agrees to accept to produce the work of art." No new matter was added.

The Naylor et al. reference is directed to an auction site for selling and auctioning off display rights to digital imagery. The embodiments described in the Naylor et al. reference describe an auction system to maximize the price of the display rights to digital imagery, with each new bid being at a higher price or a Dutch Auction system where a successful bid price is determined based on the bid price received during the auction. For example, paragraph [0018] in the Naylor et al. reference describes "a minimum price and a starting price in menu 46 if the demand curve option is selected" while paragraph [0072] describes "the successful bid price is selected by determining, at the close of the offer period, the maximum revenue from all buyers offering at or above the successful bid wherein all winning bidders pay the lowest successful bid price. In other embodiments, the Naylor et al. reference describes "a 'take-it' or 'reserve' price where the buyer can take the image without waiting for the bid period to expire. See paragraph [0018]. The Naylor et al. reference describes various processes for getting the best price for the seller. Nowhere in the cited sections of the Naylor et al. reference describe, teach, or suggest collecting a number of bids from users for the work of art at a fixed price per bid and ordering the work of art to be produced if the number of bids for the work of art associated with the at least one project record reaches the minimum number of bids. In other words, the Naylor et al. reference does not attempt to maximize the number of bids at a preset price, but instead focuses on maximizing the sales price as in traditional auction methods. Claim 1 was further amended to recite that the minimum number of bids is greater than one to eliminate the possible interpretation that the "take-it or reserve price" option described in the Naylor et al. reference would still read on the claim if the minimum number of bids is one. Accordingly, it is respectfully submitted that amended independent claims 1, 10, and 19 (and thus dependent claims 4, 6-8, 13, 15-17, 22, and 24-26) are patentable over the Naylor et al. reference.

Claims 6, 15, and 24 are further distinguished over the Naylor et al. reference. Claims 2, 16, and 30 have been amended to recite "customizing <u>credits associated with</u> the work of art for each user <u>by listing the user name as a co-producer of the work of art if the number of bids for</u>

the work of art reaches the minimum number of bids." Support for the amended claims exists throughout the original specification. For example, paragraph [0057] states: "the Customization Options field 128 records the way the user prefers to have his/her name listed on the work of art as a coproducer (e.g. Joe Smith, et al.)." No new matter was added.

It is respectfully submitted that the Naylor et al. reference does not suggest the limitations of claims 6, 15, and 24. Nowhere in the cited sections of the Naylor et al. reference suggest customization of the credits to the work of art itself to give co-production credit to the bidder. The Examiner cites to paragraphs in the Naylor et al. reference that describes customizing the actual rights being sold (i.e. exclusive, non-exclusive, display rights, etc.). This option is specifically for the seller in determining what he would like to sell. This does not allow customization by the buyer to include his name with the work of art. Specifically, the Naylor et al. reference fails to describe, teach, or suggest customizing credits associated with the work of art for each user by listing the user name as a co-producer of the work of art. Thus, claims 6, 15, and 24 are further distinguished over the Naylor et al. reference.

Based on the above amendments and arguments, it is respectfully submitted that the rejection of claims 1, 4, 6-8, 10, 13, 15-17, 19, 22, and 24-26 under 35 U.S.C. § 102(e) should be withdrawn.

Claims 2-3, 5, 9, 11-12, 14, 18, 20-21, 23, and 27 were rejected under 35 U.S.C. § 103(a) as being obvious over U.S. Patent Application Publication No. 2001/0049648 to Naylor et al. ("the Naylor et al. reference") in view of U.S. Patent Application Publication No. 2002/0013761 to Bundy et al. ("the Bundy et al. reference"). This rejection is respectfully traversed.

Claims 2-3, 5, 9, 11-12, 14, 18, 20-21, 23, and 27 depend from independent claims 1, 10, and 19. Claims 1, 10, and 19 have been patentably distinguished over the Naylor et al. reference, as discussed above. Accordingly, claims 2-3, 5, 9, 11-12, 14, 18, 20-21, 23, and 27 are also distinguished over the Naylor et al. reference given the dependency of the claims to claims 1, 10 and 19.

The Bundy et al. reference does not make up for the deficiencies of the Naylor et al. reference. The Bundy et al. reference is directed to an auction system in a networked environment. The Examiner specifically cited the Bundy et al. reference for the proposition of "setting a cutoff date" and "obtaining prepayment." Nowhere in the cited sections of the Bundy et al. reference describe, teach, suggest or otherwise render obvious the claimed subject matter of "collecting a number of bids from users for the work of art at a fixed price per bid and ordering the work of art to be produced if the number of bids for the work of art associated with the at least one project record reaches the minimum number of bids." (emphasis added) as recited in the independent base claims. Accordingly, it is respectfully submitted that dependent claims 2-3, 5, 9, 11-12, 14, 18, 20-21, 23, and 27 are also patentable over the Bundy et al. reference.

Claims 2, 5, 9, 11, 14, 18, 20, 23, and 27 are also further distinguished over the Bundy et al. reference. Although the Bundy et al. reference describes a cutoff date, nowhere in the cited sections of the Bundy et al. reference describes the <u>relationship</u> between the cutoff date and reaching the minimum number of bids, as recited in the claims. Again, to avoid a situation where just one bid before the cutoff date in the Bundy et al. reference might satisfy the limitation of "setting a cutoff date by when the number of bids must reach the minimum number of bids" found in claims 2, 5, 9, 11, 14, 18, 20, 23, and 27, the claims were further amended to recite that "the minimum number of bids is greater than one" (emphasis added) in the base claim.

Therefore, it is respectfully submitted that the rejection of claims 2-3, 5, 9, 11-12, 14, 18, 20-21, 23, and 27 under 35 U.S.C. § 103(a) should be withdrawn.

Therefore, in light of the above remarks, it is respectfully submitted that claims 1-27 are in condition for allowance. Reexamination and reconsideration of the application, as amended, are requested.

If for any reason the Examiner finds the application other than in condition for allowance, the Examiner is requested to call the undersigned attorney at the Northridge, California, telephone number (818) 576-4110, to discuss the steps necessary for placing the application in condition for allowance.

Respectfully submitted,

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